

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

GILEAD SCIENCES, INC.,

PLAINTIFF,

VS.

MERCK, & CO., INC., ET AL.,

DEFENDANTS.

CASE NO.

CV-13-04057-BLF-PSG

SAN JOSE, CALIFORNIA

APRIL 23, 2015

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TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE PAUL S. GREWAL
UNITED STATES DISTRICT MAGISTRATE JUDGE

A-P-P-E-A-R-A-N-C-E-S

FOR THE PLAINTIFF: FISH & RICHARDSON
BY: DOUGLAS E. MCCANN
GREGORY BOOKER
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OFFICIAL COURT REPORTER: IRENE L. RODRIGUEZ, CSR, CRR
CERTIFICATE NUMBER 8074

PROCEEDINGS RECORDED BY MECHANICAL STENOGRAPHY,
TRANSCRIPT PRODUCED WITH COMPUTER.

1 SAN JOSE, CALIFORNIA

APRIL 23, 2015

2 P R O C E E D I N G S

3 (COURT CONVENED.)

4 THE CLERK: YOUR HONOR, CALLING GILEAD SCIENCES,
5 INC., VERSUS MERCK & COMPANY, INC., ET AL. CV-13-4057-BLF.

6 MATTER ON FOR PLAINTIFF'S MOTION TO COMPEL. PLEASE STATE
7 YOUR APPEARANCES.

8 THE COURT: GOOD MORNING, COUNSEL.

9 MR. BOOKER: GOOD MORNING, YOUR HONOR. GREG BOOKER
10 FROM FISH & RICHARDSON FROM THE DELAWARE OFFICE ON BEHALF OF
11 THE PLAINTIFF GILEAD SCIENCES. AND I HAVE WITH ME DOUG MCCANN.

12 MR. MCCANN: GOOD MORNING, YOUR HONOR.

13 THE COURT: GOOD MORNING TO YOU AS WELL.

14 MR. RABINOWITZ: GOOD MORNING, YOUR HONOR. STEPHEN
15 RABINOWITZ FROM HUGHES, HUBBARD & REED ON BEHALF OF THE
16 DEFENDANTS.

17 THE COURT: MR. RABINOWITZ, GOOD MORNING TO YOU,
18 SIR. ALL RIGHT. BEFORE ME THIS MORNING IN THIS CASE IS A
19 MOTION TO COMPEL.

20 LET ME BEGIN BY OBSERVING THAT IT SEEMS THAT SOME OF THESE
21 ISSUES MAY HAVE BEEN MOOTED OVER THE COURSE OF THE BRIEFING
22 SCHEDULE, AND PARTICULARLY I'M REFERRING TO CERTAIN DEPOSITIONS
23 THAT MAY HAVE BEEN SCHEDULED.

24 BEFORE WE TURN TO THE INDIVIDUAL ITEMS AT HAND, ARE THERE
25 ANY DEVELOPMENTS THAT YOU ALL NEED TO BRING TO MY ATTENTION OR

1 AUGMENT -- WELL, I'LL STOP THERE.

2 DO I STILL HAVE THE SAME SET OF ISSUES AS FAR AS YOU ARE
3 CONCERNED, MR. BOOKER?

4 MR. BOOKER: I THINK WE HAVE RESOLVED SEVERAL
5 ISSUES, YOUR HONOR. YOU MENTIONED THE DEPOSITIONS, AND WE WERE
6 TALKING IN THE HALLWAY BEFORE THIS HEARING.

7 THE PARTIES, I THINK, ARE NOW IN AGREEMENT THAT WE'LL
8 PROBABLY NEED TO EXTEND THE DEPOSITION PERIOD AT LEAST A FEW
9 WEEKS TO GET ALL OF THE DEPOSITIONS SCHEDULED.

10 WE DO STILL HAVE AN ISSUE AS FAR AS GETTING 30(B)(6)
11 DEPONENTS IDENTIFIED.

12 THE COURT: OKAY.

13 MR. BOOKER: AND MR. RABINOWITZ HAS INDICATED HE'LL
14 BE DOING THAT, BUT THAT'S STILL IN FLUX RIGHT NOW.

15 THE COURT: MR. RABINOWITZ, GO AHEAD, SIR.

16 MR. RABINOWITZ: YOUR HONOR, THE SPECIFIC ISSUES
17 THAT WERE RAISED IN THE MOTION TO COMPEL WERE SCHEDULED IN THE
18 30(B)(1) DEPOSITIONS. ALL OF THOSE HAVE BEEN AGREED AND
19 SCHEDULED FOR AGREED DATES EXCEPT FOR DR. ELDRUP WHO WAS
20 NOTIFIED LAST AND SHE HAS RESIDENCE IN GERMANY. WE ACTUALLY
21 HAVE BEEN TRYING OVER AN EXTENDED PERIOD TO BE IN CONTACT WITH
22 HER, AND WE SUCCEEDED IN DOING THAT. AND WE'RE TRYING TO SEE
23 WHERE AND WHETHER SHE WOULD BE WILLING TO MAKE HERSELF
24 AVAILABLE FOR DEPOSITION WITHOUT ANYONE HAVING TO GO THROUGH
25 THE HAGUE CONVENTION.

1 SO THAT'S THE ONLY ONE OF THE DEPOSITIONS THAT WAS
2 MENTIONED IN THE MOTION TO COMPEL THAT HASN'T BEEN SCHEDULED
3 FOR AN AGREED DATE.

4 CERTAINLY WE -- I STAND BY WHAT I SAID TO MR. BOOKER THIS
5 MORNING, WE WILL SHORTLY PROVIDE DESIGNEES FOR THE 30 (B) (6)
6 TOPICS.

7 THE COURT: ALL RIGHT. WELL, THANK YOU FOR THAT.
8 THANK YOU FOR THAT UPDATE.

9 MR. RABINOWITZ: YOUR HONOR, I ALSO BELIEVE THAT
10 THERE'S -- I THOUGHT THAT FROM OUR DISCUSSION THIS MORNING THAT
11 THERE'S NO LONGER AN ISSUE ABOUT THE CATEGORIES OF
12 DOCUMENTS THAT ARE MENTIONED IN THE MOTION TO COMPEL FOR
13 PRODUCTION.

14 THERE WAS AN AGREEMENT BETWEEN THE PARTIES TO LIMIT THE
15 SCOPE IN TWO IMPORTANT RESPECTS WHICH FROM A FOOTNOTE IN THE
16 REPLY I TAKE IT, IT WAS ACKNOWLEDGED BY GILEAD. AND I THOUGHT
17 WE WERE ACTUALLY IN AGREEMENT ABOUT THAT AS WELL.

18 MR. BOOKER: YOUR HONOR, THERE ARE TWO CATEGORIES
19 THAT I THINK HE'S REFERRING TO. ONE RELATES TO PRODUCTIONS OF
20 DOCUMENTS RELATED TO A CERTAIN CLASS OF COMPOUNDS THAT WE ARE
21 CALLING 2 PRIME METHYL UP AND 2 PRIME FLOURINE DOWN. THEY HAVE
22 BEEN PRODUCED SO WE'RE WITHDRAWING THAT PART OF THE MOTION.

23 AND THE SECOND RELATES TO PRODUCTION OF DOCUMENTS RELATING
24 TO MERCK'S LEAD COMPOUND, AND THAT HAS BEEN PRODUCED AS WELL
25 AND THAT'S WHY THE MOTION IS BEING WITHDRAWN.

1 I WILL SAY, THIS KIND OF GOES TO THE DEPOSITIONS AGAIN, WE
2 ARE STILL RECEIVING DOCUMENTS FROM MERCK, 10,000 PAGES A COUPLE
3 DAYS AGO, ANOTHER 16,000 PAGES, I THINK, TWO DAYS AGO, AND THEN
4 40,000 PAGES LAST NIGHT. AND THAT, IN OUR VIEW, IS GOING TO
5 IMPACT, DISTILL OUR ABILITY TO COMPLETE THE DEPOSITIONS THAT
6 HAVE BEEN SCHEDULED. WE HAVE TO PUSH SOME OF THOSE BACK.

7 AND IN ADDITION TO THE DEPOSITIONS THAT WERE PART OF THE
8 ORIGINAL MOTION, WE HAVE IDENTIFIED ADDITIONAL PEOPLE TO DEPOSE
9 RECENTLY. WE DO NOT HAVE DATES FOR THOSE PEOPLE AS OF YET.

10 THE COURT: MR. RABINOWITZ, GO AHEAD. THIS IS ALL
11 JUST THE INTRODUCTION. WE HAVEN'T GOTTEN TO THE MOTION.

12 MR. RABINOWITZ: YOUR HONOR, TO THE EXTENT THAT WE
13 CAN TAKE THINGS OFF THE TABLE FOR DISCUSSION THIS MORNING.

14 THE COURT: SURE.

15 MR. RABINOWITZ: WE DID RECEIVE, I THINK IT WAS ON
16 MONDAY OR TUESDAY OF THIS WEEK, A REQUEST TO DEPOSE ADDITIONAL,
17 SUBJECT TO THE PARTIES AGREEING ABOUT WHO OR WHO WOULD NOT BE
18 CALLED AT TRIAL, AND THAT THEY MAY GO AWAY. OBVIOUSLY WE'LL DO
19 OUR BEST TO RESOLVE THE ISSUES OR OTHERWISE SCHEDULE THE
20 DEPOSITIONS, BUT CLEARLY THAT'S NOT PART OF TODAY'S MOTION.

21 THE COURT: ALL RIGHT. WELL, WHY DON'T WE TURN TO
22 WHAT REMAINS IN DISPUTE IN THE MOTION THAT IS BEFORE THE COURT.

23 THIS IS A MOTION BY PLAINTIFFS, AND SO I'LL BEGIN WITH
24 GILEAD.

25 MR. BOOKER, WOULD YOU LIKE TO START WITH THE ARGUMENT?

1 MR. BOOKER: LET ME GIVE SOME BACKGROUND TO THE CASE
2 THAT I THINK KIND OF PUTS THE ISSUES IN CONTEXT. AND THIS IS A
3 CASE ABOUT GILEAD'S DRUG, SOFOSBUVIR, WHICH TRULY IS A
4 REVOLUTIONARY TREATMENT FOR HCV, HEPATITIS C. AND GIVE ME
5 ONE MINUTE, YOUR HONOR.

6 DO YOU HAVE OUR BRIEFING? WE CAN ALSO PASS UP A SET IF
7 YOU DO NOT.

8 THE COURT: I HAVE ALL OF THE BRIEFING.

9 MR. BOOKER: OKAY. IN OUR OPENING BRIEF AT PAGE
10 3 --

11 THE COURT: LET ME BEGIN WITH AN ELEMENTARY
12 QUESTION. AM I PRONOUNCING THIS CORRECTLY, SOFOSBUVIR?

13 MR. BOOKER: SOFOSBUVIR.

14 THE COURT: ALL RIGHT.

15 MR. BOOKER: AT PAGE 3 OF OUR OPENING BRIEF WE HAD
16 THE STRUCTURE OF SOFOSBUVIR. AND ONE OF THE IMPORTANT FEATURES
17 OF THAT COMPOUND WE POINT OUT IS WHERE WE SHOW THIS 2 PRIME
18 POSITION, IT'S THAT RANGE STRUCTURE IN THE MIDDLE THERE, AND IT
19 HAS WHAT WE SHOW A METHYL GROUP UP AND A FLUORINE ATOM DOWN, A
20 DOWN POSITION. AND THAT IS GOING TO BE AN ISSUE IN THIS CASE.

21 AND IT TURNS OUT THAT ACTUALLY MAKING THAT TYPE OF
22 STRUCTURE IS DIFFICULT, AND IT WAS FIRST DONE, TO OUR
23 KNOWLEDGE, BY A COMPANY CALLED PHARMASSET IN 2003.

24 NOW, GILEAD HAS SINCE ACQUIRED PHARMASSET.

25 NOW, THE MERCK PATENTS IN THIS CASE, THERE ARE TWO OF

1 THEM, THEY HAVE FILING DATES OF 2001 AND THE OTHER -- I BELIEVE
2 THE OTHER THEY'RE CLAIMING JANUARY 2002.

3 THEY HAVE ADMITTED IN THE BRIEFING HERE THAT THE INVENTORS
4 NEVER MADE OR NEVER TESTED ANY COMPOUNDS FOR THE CLAIMS THAT
5 ARE ISSUED IN THOSE PATENTS.

6 WE BELIEVE THE CLAIMS WERE AMENDED IN 2005 AFTER MERCK HAD
7 LEARNED INFORMATION FROM PHARMASSET AND AFTER THEY LEARNED
8 ABOUT THAT THESE TYPES OF COMPOUNDS THAT HAD THESE 2 PRIME
9 METHYL UP, FLOURINE DOWN STRUCTURE.

10 THE COURT: AND I TAKE IT IT WAS BEFORE GILEAD HAD
11 ACQUIRED PHARMASSET?

12 MR. BOOKER: YES, YOUR HONOR. YES, YOUR HONOR. AND
13 MERCK HAD AMENDED THEIR CLAIMS TO REALLY TARGET THAT TYPE OF
14 FEATURE. AND OUR DISCOVERY RELATES TO THAT. OUR DEFENSE IN
15 THIS CASE GOES TO A LACK OF ENABLEMENT AND LACK OF WRITTEN
16 DESCRIPTION AND DERIVATION, AND THAT IS WHAT OUR DISCOVERY
17 SEEKS TO SUPPORT.

18 THE COURT: I TAKE IT THAT THAT INFORMATION EXCHANGE
19 BETWEEN PHARMASSET AND MERCK WAS UNDER SOME KIND OF NDA OR
20 CONFIDENTIALITY AGREEMENT?

21 MR. BOOKER: IT WAS A COMBINATION OF INFORMATION
22 THAT WAS CONFIDENTIAL UNDER AN NDA AS WELL AS SOME PUBLICATION
23 THAT OCCURRED ABOUT THREE WEEKS BEFORE MERCK HAD AMENDED THEIR
24 PATENT CLAIMS.

25 THE COURT: OKAY.

1 MR. BOOKER: SO THE FIRST ISSUE GOES TO OUR
2 DISCOVERY LOOKING AT THE INVENTOR'S POST-FILING EFFORTS AT
3 ACTUALLY MAKING COMPOUNDS FALL WITHIN THE PATENT CLAIMS.

4 SO LIKE I SAID, THEY'VE ALREADY ADMITTED THAT AS OF THE
5 FILING DATE THEY HADN'T DONE THAT. WE ARE SEEKING DISCOVERY
6 AND OUR INTERROGATORIES 4, 5, AND 1 ASK FOR WHEN THE DEFENDANTS
7 HERE MADE ANY COMPOUNDS THAT FALL WITHIN THE CLAIMS, TESTED
8 THEM, AND THE CIRCUMSTANCES SURROUNDING THOSE EFFORTS. AND
9 THAT INFORMATION GOES RIGHT TO OUR ENABLEMENT, WRITTEN
10 DESCRIPTION, AND DERIVATION DEFENSES.

11 THE COURT: WELL, LET'S BREAK THAT DOWN A BIT, SHALL
12 WE? I UNDERSTAND CONCEPTUALLY WHY POST-FILING ACTIVITY MIGHT
13 BE RELEVANT TO AN ENABLEMENT DEFENSE. I GET THAT. 4.

14 RIGHT. IF THEY WERE UNSUCCESSFUL, FOR EXAMPLE, IN
15 PRODUCING THE COMPOUND AS CLAIMED A YEAR OR TWO YEARS OR EVEN
16 FIVE YEARS AFTER THE FACT, ONE MIGHT REASONABLY SEE THAT AS
17 EVIDENCE THAT THEY DID NOT ENABLE THE PRODUCTION OF THE
18 COMPOUND AS OF THE DATE OF THE APPLICATION. FAIR ENOUGH?

19 MR. BOOKER: CORRECT, YOUR HONOR.

20 THE COURT: OKAY. BUT WHERE I'M STRUGGLING THOUGH
21 IS HOW IN THE WORLD DOES THAT RELATE TO A WRITTEN DESCRIPTION
22 DEFENSE WHICH LOOKS AT WHETHER OR NOT AS ORIGINALLY FILED THE
23 CLAIMS WERE IN THE POSSESSION OF THE INVENTOR?

24 MR. BOOKER: YOUR HONOR, AND THE WRITTEN DESCRIPTION
25 IS JUDGED AS OF WHAT IS STATED IN THE PATENT. AND MERCK WILL

1 COME IN AND SAY, OH, YEAH, WE'VE HAD POSSESSION OF THE CLAIMED
2 INVENTION, WE ACTUALLY HAD IT. AND I THINK THAT GOES RIGHT TO
3 THAT. IN FACT, IT GOES TO CREDIBILITY. THEY COME TO TRIAL AND
4 THEY SAY THEY HAD POSSESSION OF THE CLAIMED INVENTION.

5 THE COURT: OKAY. SO WHAT YOU WANT TO SHOW IS
6 POSSESSION? NO WAY. YOU WERE WORKING ON THIS THING YEARS
7 AFTER THE FACT. AND, IN FACT, 2007, 2009, MAYBE YOU'LL GET
8 LUCKY UNTIL 2011 OR 2013, YOU STILL DIDN'T HAVE IT.

9 MR. BOOKER: THAT'S RIGHT, YOUR HONOR.

10 THE COURT: IS THAT THE BASIC ARGUMENT?

11 MR. BOOKER: YES, YOUR HONOR. ALL RIGHT. AND AS I
12 CAN COMMENT ALSO FOR DERIVATION, AGAIN, THIS IS UNIQUE IN THAT
13 ALTHOUGH THE PATENTS WERE FILED IN 2001, THE CLAIMS AT ISSUE
14 WERE AND CAME INTO EXISTENCE IN 2005 AFTER MERCK LEARNED THE
15 INFORMATION FROM PHARMASSET. SO THAT'S WHY THEIR ACTIVITIES
16 DEFINITELY BETWEEN 2002 AND WHEN THEY AMENDED THOSE CLAIMS ARE
17 RELEVANT TO THAT DERIVATION DEFENSE.

18 THE COURT: AND, OF COURSE, I'M NOT HERE TO DECIDE
19 ANYTHING OTHER THAN DISCOVERABILITY, RIGHT? JUDGE FREEMAN WILL
20 MAKE THE CALL AS TO WHETHER OR NOT THESE ARE RELEVANT UNDER
21 401, AND THE JURY WILL ULTIMATELY MAKE THE CALL. YEAH, I GET
22 IT.

23 ALL RIGHT. DO YOU WANT TO TURN TO YOUR OTHER ISSUES AS
24 WELL? WE CAN TAKE THEM IN ONE BIG BATCH, AND I'LL GIVE
25 MR. RABINOWITZ A CHANCE TO RESPOND.

1 MR. BOOKER: AND THE OTHER ISSUE -- THE SECOND ISSUE
2 I WAS ALLUDING TO WAS --

3 THE COURT: I'M TRYING TO APPROVE UPON THE MODEL
4 THAT I --

5 MR. BOOKER: JUST TO BE QUICK. IT'S REALLY THE
6 DEPOSITIONS AND DOCUMENTS. WE HAVE REACHED AGREEMENT ON A
7 NUMBER OF DEPOSITION DATES.

8 THE COURT: SO IT LOOKS LIKE FOR 30 (B) (1) DEPONENTS,
9 WHICH ARE THE ONLY DEPONENTS PRESENTED IN THE MOTION, WE'RE
10 DOWN TO DR. ELDRUP; IS THAT CORRECT?

11 MR. BOOKER: IT IS, AS TO THE DEPONENTS THAT WERE
12 PRESENT IN THE MOTION.

13 THE COURT: OKAY. SO WHAT IS THE ISSUE AS TO
14 ELDRUP? YOU WANT A DEPOSITION? YOU HAVEN'T GOTTEN ONE. IS
15 THAT BASICALLY IT?

16 MR. BOOKER: WELL, THAT'S THE ISSUE THERE, BUT I
17 WOULD WANT TO SAY THAT WE STILL, I THINK, HAVE AN ISSUE WITH
18 THE TIMING OF THESE DEPOSITIONS. AND IF I CAN JUST MENTION
19 THAT FIRST.

20 THE COURT: PLEASE.

21 MR. BOOKER: SO WE HAVE MANY DATES NOW FOR MERCK.
22 WE HAVE ACCEPTED ALL OR MOST OF THOSE DATES.

23 OUR CONCERN, THOUGH, AS I ALLUDED TO, WAS WE'RE JUST NOW
24 RECEIVING THOUSANDS AND THOUSANDS OF DOCUMENTS. I'M NOT SURE
25 IF WE CAN KEEP SOME OF THE DATES THAT WE HAVE ALREADY AGREED

1 TO. WE MIGHT HAVE TO PUSH SOME OF THOSE DATES BACK IN LIGHT OF
2 JUST NOW RECEIVING IN THE PAST WEEK OR SO 70,000 OR SO PAGES OF
3 DOCUMENTS.

4 WE WOULD LIKE TO HAVE THE ABILITY, IF WE NEED TO, TO TAKE
5 THE DEPOSITIONS BEYOND THE DISCOVERY PERIOD. AND I THINK
6 MR. RABINOWITZ HAS AGREED TO THAT IN PRINCIPLE IN THE HALLWAY
7 THIS MORNING.

8 THE COURT: WELL, ON THAT ISSUE I SHOULD TELL EACH
9 OF YOU THAT STRIKES ME AS A REASONABLE COMPROMISE THAT YOU HAVE
10 WORKED OUT IF, IN FACT, YOU HAVE REACHED AN AGREEMENT.

11 I WOULD SUGGEST THAT THE WAY TO PUT THAT INTO PRACTICE IS
12 TO PREPARE A STIPULATION FOR JUDGE FREEMAN'S SIGNATURE AS SHE'S
13 CONTROLLING HER OWN TRIAL SCHEDULE. FOR WHAT IT'S WORTH AND
14 HERE ON THE RECORD, I WOULD THINK THAT IF YOU'VE REACHED A DEAL
15 IT MIGHT BE SOMETHING THAT SHE MIGHT BE INCLINED TO GRANT. BUT
16 THAT'S HER CALL, AND I NEED TO RESPECT THAT, AND YOU NEED TO
17 PROCEED WITH THAT IN MIND.

18 MR. BOOKER: YES, YOUR HONOR. AND THAT'S REALLY ALL
19 I HAVE RIGHT NOW ON THE DEPOSITION ISSUE.

20 THE COURT: OKAY.

21 MR. BOOKER: THERE IS ONE THIRD ISSUE THAT WE
22 ALLUDED TO IN A FOOTNOTE IN OUR REPLY BRIEFING AND JUST BECAUSE
23 IT REALLY HAD NOT BEEN TEED UP AT THE TIME. I WOULD LIKE TO
24 BRING IT TO YOUR ATTENTION BECAUSE IT MIGHT BE AN ISSUE IN
25 DEPOSITIONS THAT WE'LL BE CALLING YOU AGAIN IF WE'RE NOT

1 GETTING CERTAIN DISCOVERY.

2 THE COURT: YOU'RE TALKING ABOUT FOOTNOTE 16?

3 MR. BOOKER: UM, I THINK IT IS, YOUR HONOR. THAT'S
4 CORRECT.

5 THE COURT: OKAY.

6 MR. BOOKER: AND THERE'S REALLY ONLY ONE SPECIFIC
7 ISSUE THAT I WOULD LIKE TO MENTION ABOUT THAT. AND IT GOES TO
8 THE FOLLOWING: ONE OF THE INTERROGATORIES HAD ASKED MERCK TO
9 IDENTIFY THEIR CURRENT TREATMENT PLANS FOR HCV, WHAT IS IN THE
10 PIPELINE THAT THEY'RE TRYING TO COMMERCIALIZE. AND THEY HAVE
11 IDENTIFIED THEIR COMPOUNDS BY CODE NUMBER. AND WITH THAT
12 INFORMATION WE HAVE NO IDEA WHAT THE STRUCTURE OF THE COMPOUNDS
13 ARE.

14 AND THERE'S ONE STRUCTURE IN PARTICULAR THAT WE HAVE
15 INTEREST IN AND THAT NUMBER IS MK 3682. AND WE'VE ASKED MERCK
16 TO PROVIDE US THAT STRUCTURE. WE WANT TO SEE IF THAT STRUCTURE
17 FALLS IN THEIR PATENT CLAIMS.

18 THE COURT: SO I'VE GOT TO ASK YOU, IF ALL YOU'VE
19 GOT WERE, AMONG OTHER THINGS, A LISTING OF CODE NUMBERS, HOW
20 DID YOU PICK OUT MK 3682 AS THE COMPOUND OF INTEREST?

21 MR. BOOKER: BECAUSE THAT'S A COMPOUND THAT MERCK
22 HAS RECENTLY BOUGHT FROM ANOTHER COMPANY IDENTICAL -- MERCK
23 BOUGHT THE WHOLE COMPANY. BUT THEY GOT THAT COMPOUND FROM
24 IDENIX. AND WE WANT TO SEE IF THAT'S NOW A COMPOUND THAT FALLS
25 WITHIN THE MERCK CLAIMS. THAT IS GOING TO A LOT OF DAMAGES

1 ISSUES. AND WE ALSO WANT TO SEE IF MERCK HAD TO ACTUALLY GO
2 OUT AND BUY THE COMPOUND THAT FALLS WITHIN THEIR CLAIMS BECAUSE
3 THEY WERE NOT ABLE TO MAKE ONE.

4 THE COURT: OKAY. ALL RIGHT. ANYTHING ELSE,
5 MR. BOOKER?

6 MR. BOOKER: NOT RIGHT NOW, YOUR HONOR. THANK YOU.

7 THE COURT: I'LL GIVE YOU A CHANCE FOR REBUTTAL.

8 MR. RABINOWITZ, GO AHEAD, SIR.

9 MR. RABINOWITZ: YOUR HONOR, BEFORE I GET TO THE
10 MAIN EVENT, CERTAINLY WE'RE WILLING TO BE FLEXIBLE ABOUT
11 SCHEDULING OF DEPOSITIONS. IN FACT, AT THE MARKMAN HEARING ON
12 THE 3RD OF THIS MONTH, JUDGE FREEMAN SUA SPONTE SAID THAT IN
13 LIGHT OF WHEN SHE EXPECTED TO ISSUE HER MARKMAN RULING, THE
14 PARTIES MIGHT WANT TO COME BACK TO HER AND HAVE SUGGESTIONS TO
15 THE SCHEDULE. AND WE'VE BEEN TALKING ABOUT THAT IN PRINCIPLE,
16 AND WE'RE CERTAINLY WILLING TO BE FLEXIBLE ABOUT IT. BUT
17 THAT'S THE SORT OF THING THAT I THINK IS DEALT WITH, AS YOU
18 SUGGESTED, BY AGREEMENT BETWEEN THE PARTIES AND NOT BY A
19 MOTION.

20 AND IN TERMS OF THE RESPONSES THAT WE GAVE TO THE RECENTLY
21 SERVED REQUESTS ABOUT THE DAMAGES RELATED ISSUES INCLUDING
22 TREATMENTS UNDER DEVELOPMENT, WE WILL CERTAINLY TAKE A LOOK AT
23 THAT AND MEET AND CONFER AND IF THEY BELIEVE THAT FURTHER
24 SUPPLEMENTATION IS NEEDED. BUT THAT REALLY TRULY IS NOT THE
25 SUBJECT OF THIS MOTION.

1 YOUR HONOR, I THINK YOU HIT THE NAIL ON THE HEAD WHEN YOU
2 REFERRED TO AT LEAST WRITTEN DESCRIPTION AND DERIVATION AS
3 TURNING ON THE CONTENT OF THE APPLICATIONS FILED JANUARY 18TH,
4 2002.

5 THE -- THERE ARE TWO -- JUST BY WAY OF SOME ADDITIONAL
6 BACKGROUND, THERE ARE TWO PATENTS. THE ISSUE IS A DRUG THAT IS
7 MARKETED BY GILEAD CALLED SOFOSBUVIR, AND IT'S WHAT IS CALLED A
8 PRO DRUG BECAUSE AFTER BEING INGESTED IT CONVERTS TO THE ACTUAL
9 ACTIVE COMPOUND THAT DOES THE PATIENT GOOD AND IT ACTUALLY
10 CONVERTS TO ONE, TWO, THREE COMPOUNDS WHICH ARE CLAIMED OR USES
11 CLAIMED IN THE PATENT BEING ASSERTED HERE.

12 SO THE THEORY OF INFRINGEMENT IS INDUCED INFRINGEMENT, AND
13 IT'S THE PATIENTS WHO ACTUALLY IN THEIR BODIES MAKE AND USE THE
14 CLAIMED COMPOUNDS. BUT WE'RE CERTAIN GILEAD IS LIABLE FOR
15 INDUCING THAT INFRINGEMENT BY SELLING A DRUG WHICH WHEN USED
16 ACCORDING TO THE DIRECTIONS IN THE LABEL WILL PREDICTIVELY
17 RESULT IN THE DIRECT INFRINGEMENT BY THE PATIENT OR THE
18 CAREGIVERS.

19 THE COURT: I'M CURIOUS, AND I'M NOT SURE IT'S
20 DIRECTLY RELEVANT TO THE ISSUES BEFORE ME, ARE THE CLAIMS AT
21 ISSUE ALL METHOD CLAIMS, STRUCTURE CLAIMS?

22 MR. RABINOWITZ: THAT'S EXACTLY WHAT I WAS SETTING
23 US UP TO DO. SO THE TWO PATENTS IN SUIT, THE FIRST IS CALLED
24 THE '499 PATENT AND THAT HAS TWO CLAIMS EACH DIRECTED TO A
25 METHOD OF TREATMENT. A METHOD OF TREATING HEPATITIS C VIRUS

1 INFECTION COMPRISING ADMINISTERING TO A MAMMAL IN NEED OF SUCH
2 TREATMENT A THERAPEUTIC EFFECTIVE AMOUNT OF A COMPOUND THAT IS
3 FURTHER DEFINED BY A STRUCTURAL FORMULA IN THE CLAIMS. THAT'S
4 THE '499 PATENT.

5 FOR THE '712 PATENT THEY'RE DIRECTED TO CLASSES OF
6 COMPOUNDS, WHICH ARE DISCLOSED IN THE SPECIFICATION AS BEING
7 USED FOR THE TREATMENT OF HEPATITIS C VIRUS INFECTION.

8 SO THAT PROVIDES CONTEXT FOR THE WAY THAT WE RESPONDED TO
9 INTERROGATORY NUMBER 1. AND INTERROG 1 VERY SPECIFICALLY ASKS
10 ABOUT THE PATENT, ABOUT MERCK, AND THE PATENT OWNER'S
11 CONTENTIONS ABOUT THE DATE OF INVENTION.

12 AND IT SAYS, DESCRIBE IN COMPLETE DETAIL THE FACTUAL AND
13 LEGAL BASIS AND SUPPORTING EVIDENCE FOR WHAT DEFENDANTS CONTEND
14 TO BE THE DATE OF THE INVENTION. AND THEN THEY HAVE IN PARENS,
15 I.E., CONCEPTION, ACTUAL AND CONSTRUCTIVE REDUCTION TO PRACTICE
16 AND SO ON.

17 AND WE MADE IT CRYSTAL CLEAR THAT WE ARE RELYING SOLELY ON
18 CONSTRUCTIVE REDUCTION TO PRACTICE.

19 THE COURT: WHICH IS THE EFFECTIVE FILING DATE?

20 MR. RABINOWITZ: WHICH IS THE EFFECTIVE FILING DATE.

21 AND SO WE MENTIONED TWO DATES. ONE IS THE FILING DATE OF THE
22 PROVISIONAL APPLICATION AND THE OTHER, JANUARY 18TH, 2002, IS
23 THE FILING DATE OF TWO NON-PROVISIONAL APPLICATIONS. ONE WAS A
24 PCT WHICH -- WHOSE NATIONAL PHASE ISSUED AS THE '499 PATENT.
25 NO INTERVENING FILINGS AT ALL.

1 THE OTHER WAS A NORMAL U.S. NATIONAL FILING, WHICH BY A
2 SERIES OF CONS AND DIBS BUT NO CIP'S ISSUED AS THE '712 PATENT.
3 SO WE LIVE OR DIE BY THE SPECIFICATION AS FILED JANUARY 18TH,
4 2002.

5 IF THE SPECIFICATION BOTH DESCRIBES AND ENABLES THE NOW
6 CLAIMED SUBJECT MATTER AND THE CLAIMS WERE AMENDED IN
7 PROSECUTION, THEN -- AND IN THE KINGSTON VERSUS HOLLISTER, EVEN
8 IF THEY WERE AMENDED WITH PHARMASSET'S COMPOUND IN MIND, THE
9 FEDERAL CIRCUIT SAID THAT THERE'S NOTHING IMPROPER ABOUT THAT
10 IF IT'S DESCRIBED AND ENABLED.

11 IF IT'S NOT BOTH DESCRIBED AND ENABLED, THE CLAIM'S
12 INVALID FOR THAT REASON, LACK OF ENABLEMENT OR LACK OF
13 DESCRIPTION.

14 THE COURT: SO HERE'S THE QUESTION I HAD REGARDING
15 THAT ISSUE OR THAT SET OF ISSUES, IT SEEMS TO ME WHETHER WE'RE
16 LOOKING AT ENABLEMENT OR WRITTEN DESCRIPTION, WE'RE THINKING
17 ABOUT WHAT ONE OF ORDINARY SKILL IN THE ART WOULD UNDERSTAND
18 READING THE FILE, READING THE, I SHOULD SAY, APPLICATION AS
19 ISSUED.

20 AND WHAT I'VE ALWAYS STRUGGLED WITH IS TO THE EXTENT TO
21 WHICH EXTRINSIC EVIDENCE OR EXTERNAL EVIDENCE IS MATERIAL TO
22 THE QUESTION OF WHAT THIS APPLICATION TAUGHT AS ISSUED, RIGHT,
23 THE SKILLED ARTISAN BRINGS HIS OR HER KNOWLEDGE OF EVERYTHING
24 THAT IS AVAILABLE IN THE FIELD FOR SURE, BUT AS TO EX POST
25 PRIVATE INFORMATION, THE SKILLED ARTISAN DOESN'T HAVE ACCESS TO

1 THAT INFORMATION SO HOW COULD IT INFLUENCE WHAT HE OR SHE
2 UNDERSTANDS WHEN READING THE APPLICATION?

3 MR. RABINOWITZ: I THINK IT IS STRICTER FOR WRITTEN
4 DESCRIPTION THAN ENABLEMENT. I'M REFERRING TO THE ARIAD CASE.

5 THE COURT: THIS IS WHERE I'M GOING TO, TOO.

6 MR. RABINOWITZ: I HAD THE MISFORTUNE TO ARGUE ARIAD
7 TO THE PANEL ACTUALLY AND WAS INVOLVED IN BRIEFING TO THE EN
8 BANC COURT. AND ARIAD SAID IT THIS WAY, THE FORMULATION
9 USUALLY USED IS HAD POSSESSION. BUT THAT'S MISLEADING AND
10 ARIAD SAYS THAT AT 1351 IN ARIAD AND THE COURT SAID, AND THIS
11 IS THE EN BANC FEDERAL CIRCUIT, THE COURT SAYS, "BUT THE
12 HALLMARK OF WRITTEN DESCRIPTION IS DISCLOSURE. THUS," QUOTE
13 "'POSSESSION AS SHOWN IN THE DISCLOSURE,'" END QUOTE, "IS A
14 MORE COMPLETE FORMULATION."

15 AND THEN LATER IN THE CASE THE COURT MAKES TWO THINGS
16 CLEAR. THIS IS AT PAGE 1352 OF THE ARIAD CASE, WHICH IS
17 598 FEDERAL 3D. 1336. THE FEDERAL CIRCUIT IN EN BANC SAYS, "WE
18 HAVE MADE CLEAR THAT THE WRITTEN DESCRIPTION REQUIREMENT DOES
19 NOT DEMAND EITHER EXAMPLES OR ACTUAL REDUCTION TO PRACTICE. A
20 CONSTRUCTIVE REDUCTION TO PRACTICE THAT IN A DEFINITE WAY
21 IDENTIFIES THE CLAIMED INVENTION CAN SATISFY THE WRITTEN
22 DESCRIPTION REQUIREMENT."

23 AND THEN LATER IMMEDIATELY AFTERWARDS IN THE SAME
24 PARAGRAPH IT SAYS, "CONVERSELY, WE HAVE REPEATEDLY STATED THAT
25 ACTUAL POSSESSION OR REDUCTION TO PRACTICE OUTSIDE OF THE

1 SPECIFICATION IS NOT ENOUGH.

2 "RATHER, AS STATED ABOVE, IT IS THE SPECIFICATION ITSELF
3 THAT MUST DEMONSTRATE THE POSSESSION."

4 THE COURT: SO HERE'S MY QUESTION FOR YOU ON THAT
5 ISSUE, WHICH IS, MR. RABINOWITZ, WHICH IS I AGREE AND I THINK
6 THE CASE LAW IS EXPLICIT AS YOU RECITED THAT SUCH EVIDENCE IS
7 NOT ENOUGH. BUT IS IT NOT STILL RELEVANT?

8 MR. RABINOWITZ: YOUR HONOR, IF THE SPECIFICATION --
9 IF THE SPECIFICATION PROVIDES OBJECTIVE EVIDENCE FROM WHICH A
10 PERSON OF SKILL IN THE ART WOULD CONCLUDE THAT THE INVENTORS
11 WERE IN CONCEPTUAL POSSESSION OF THE SUBJECT MATTER NOW
12 CLAIMED, THEN THE WRITTEN DESCRIPTION REQUIREMENT IS SATISFIED.

13 EVEN IF THEY HAD MET -- NOW, WE HAVE SAID QUITE EXPRESSLY,
14 AND THIS IS IN RESPONSE TO INTERROGATORY 4, THAT THERE WAS NO
15 MAKING OR TESTING OF ANY COMPOUND WITHIN THE SCOPE OF THE
16 CURRENT CLAIMS, THE ISSUED CLAIMS, PRIOR TO JANUARY 18TH, 2002.
17 WE'RE NOT HIDING THE BALL ABOUT THAT.

18 SO IF THE WRITTEN DESCRIPTION AS FILED ON THAT DATE, THE
19 APPLICATION IS FILED ON THAT DATE, DEMONSTRATES TO A PERSON OF
20 ORDINARY SKILL IN THE ART THAT THE INVENTORS HAD CONCEPTUAL
21 POSSESSION OF THE SUBJECT MATTER NOW CLAIMED, THEN IT DESCRIBES
22 THE INVENTIONS THAT ARE PROTECTED BY THESE PATENTS AND WHETHER
23 THE COMPANY MADE EXAMPLES OF THOSE COMPOUNDS BEFORE IT DIDN'T
24 PUT IT IN THE SPECIFICATION, WE ALREADY SAID THAT ISN'T THE
25 CASE, OR WHETHER IT MADE IT SUBSEQUENTLY CANNOT ADD FROM OR

1 DETRACT FROM THE WRITTEN DESCRIPTION. IT'S AN OBJECTIVE TEST
2 AS JUDGED BY A PERSON OF SKILL IN THE ART FROM THE FOUR CORNERS
3 OF THE APPLICATION AS FILED ON THAT DATE.

4 THE COURT: SUCH THAT A THIRD PARTY TO THIS DISPUTE,
5 FOR EXAMPLE, SHOULD BE ABLE TO GO ONLINE, PULL UP THE PATENT,
6 AND MAKE A BUSINESS JUDGMENT AS TO WHETHER OR NOT HE NEEDS TO
7 WORRY ABOUT THIS PATENT. FOR EXAMPLE, IT MAY CONCLUDE THAT
8 LOOKING AT THE PATENT ITSELF IT IS NOT PROPERLY ENABLED OR THAT
9 THERE IS INSUFFICIENT DESCRIPTION TO SUPPORT THE CLAIMS AND ON
10 THAT BASIS MAY PROCEED TO OTHERWISE INFRINGE THE HECK OUT OF
11 IT; CORRECT?

12 MR. RABINOWITZ: IF THEY DO A PROPER ANALYSIS, YES,
13 ABSOLUTELY. AND THE QUESTION -- DERIVATION IS SIMPLY A RED
14 HERRING. DERIVATION REQUIRES THAT THERE BE A COMMUNICATION TO
15 THE INVENTORS OF THE PATENT PRIOR TO THE INVENTION DATE.

16 AND THE INVENTION DATE, IF THE CLAIMS ARE NOT -- ARE BOTH
17 ENABLED AND DESCRIBED AS OF JANUARY 18TH, 2002.

18 THE COURT: WHAT HAPPENS THREE OR FOUR YEARS LATER
19 IS IRRELEVANT?

20 MR. RABINOWITZ: EXACTLY. AND BY THE WAY, I THINK
21 IT'S JUST IMPORTANT TO NOTE THAT THERE WAS NO CLAIM AMENDMENT
22 OF WHICH GILEAD COMPLAINS PRIOR TO THE PUBLICATION OF THE
23 APPLICATION.

24 THERE WAS SOME PRIOR DISCLOSURE OF BUSINESS INFORMATION,
25 BUT THEY HAVE IDENTIFIED NO INFORMATION THAT MIGHT BE RELEVANT

1 TO THE CLAIM AMENDMENT THAT IT WAS NOT PUBLIC AS A RESULT OF
2 THE PUBLICATION OF THEIR OWN APPLICATION. SO ATMOSPHERICALLY I
3 KNOW WHY IT IS SAID, BUT I JUST THINK THAT THAT NEEDS TO BE
4 ACKNOWLEDGED.

5 NOW, AS FOR ENABLEMENT THE SAME THING IS TRUE. ENABLEMENT
6 IS TESTED AS -- BY VIRTUE OF THE CONTENT OF THE APPLICATION AS
7 FILED IN -- JANUARY 18TH, 2002, EXCEPT THAT UNLIKE WRITTEN
8 DESCRIPTION YOU DO TAKE ACCOUNT OF WHAT WAS KNOWN IN THE ART IN
9 ORDER TO MEASURE THE CAPACITY OF A PERSON OF ORDINARY SKILL AT
10 THAT TIME.

11 THERE IS -- WE THINK THAT THE PROPER RULE IS THAT YOU MAY
12 RELY ONLY ON PUBLICATION TO SHOW THE KNOWLEDGE IN THE ART, NOT
13 PRIVATE CONFIDENTIAL ACTIVITIES THAT WERE HAPPENING IN SECRET.

14 AND ALL OF THE CASES THAT HAVE BEEN CITED BY THE OTHER
15 SIDE IN THIS MOTION HAVE USED PUBLICATION TO SHOW THE STATE OF
16 THE ART. IN FACT, IN THE CHIRON CORP. V. GENENTECH CASE, WHICH
17 WAS CITED BY GILEAD IN ITS REPLY BRIEF, IS ACTUALLY VERY
18 INSTRUCTIVE BECAUSE THE COURT LOOKED AT -- THIS WAS A RESULT OF
19 MULTIPLE FILINGS BY WAY OF CIP'S.

20 AND SO THE COURT -- THIS IS AT PAGE 1255 OF CHIRON VERSUS
21 GENENTECH -- FIRST LOOKED AT WHAT WAS KNOWN BY VIRTUE OF PUBLIC
22 DISCLOSURES IN THE ART AS OF THE FIRST FILING DATE AND THEY
23 SAID THIS BRAND DIDN'T EVEN EXIST, IT WASN'T KNOWN, THEREFORE,
24 IT DIDN'T HAVE TO BE DESCRIBED OR ENABLED AS OF THAT DATE
25 BECAUSE YOU DON'T HAVE TO DESCRIBE WHAT DOESN'T EXIST.

1 THEN WHEN THEY LOOKED AT THE SECOND DATE, THEY SAID,
2 HOWEVER, BY THAT STAGE IT WAS A NASCENT, IT WAS A NASCENT ART
3 IN THE FIELD.

4 THE COURT: TRIGGERING A REQUIREMENT.

5 MR. RABINOWITZ: YES. AND SO IT NEEDED TO BE
6 REQUIRED. HOWEVER, THERE WAS NOT A LOT OF KNOWLEDGE SO IT
7 NEEDED A LOT OF DISCLOSURE TO SATISFY IT.

8 NOW, AGAIN, THEY DID USE A POST-FILING DATE PUBLICATION
9 REVIEWING THE HISTORY OF THE FIELD TO CONCLUDE THAT IT WAS
10 NASCENT AT THE TIME BUT THAT'S VERY DIFFERENT FROM RELYING ON
11 PRIVATE, CONFIDENTIAL, UNPUBLISHED SCIENTIFIC INVESTIGATIONS
12 THAT ARE GOING ON IN A COMPANY THAT ARE NOT BEING DISCLOSED.

13 BUT JUST TO SHOW HOW OVERBROAD THE INFORMATION IS THAT IS
14 BEING SOUGHT IN RESPONSE TO 4 AND 5, THERE IS ONLY ONE -- THE
15 CLAIMS THAT WE HAVE COVER A VARIETY OF STRUCTURES. THEY
16 INCLUDE WHAT GILEAD REFERS TO AS THE METHYL UP, FLOURINE DOWN
17 CONFIGURATION WHICH GILEAD SAID WAS HARD TO MAKE. BUT THEY
18 COVER OTHER THINGS WHICH GILEAD HAS NOT CONTENTED LOOKING BOTH
19 AT THEIR MOTION HERE AND THE INVALIDITY CONTENTIONS WERE
20 PARTICULARLY DIFFICULT FOR SYNTHETIC CHEMISTS TO MAKE.

21 TO TAKE THAT OFF THE TABLE WE REACHED AN AGREEMENT WITH
22 GILEAD. WE DON'T THINK THAT WHAT MERCK WAS DOING PRIVATELY,
23 CONFIDENTIALLY BY WAY OF RESEARCH, IS RELEVANT TO WHAT PERSONS
24 OF ORDINARY SKILL IN THE ART KNEW AT THE TIME.

25 BUT JUST TO MAKE THAT GO AWAY, WE ACTUALLY REACHED AN

1 AGREEMENT, WHICH GILEAD HAS ACKNOWLEDGED THAT WE WOULD DISCLOSE
2 ATTEMPTS AND SUCCESSES TO MAKE THIS METHYL UP, FLOURINE DOWN
3 TYPE OF COMPOUND UP TO DECEMBER 31, 2006, BY WHICH TIME THEY
4 HAD ALREADY SUCCEEDED NINE TIMES. AND WE THOUGHT THAT WAS A
5 PRETTY REASONABLE PROXY FOR ANYTHING THAT MIGHT EVEN ARGUABLY
6 BE RELEVANT AND IT WAS ACCEPTED.

7 SO WHAT WE'RE ARGUING -- AND I THINK THAT SHOULD INFORM
8 WHAT WE'RE BOUND TO ANSWER FOR THE INTERROG IN TERMS OF
9 ENABLEMENT.

10 BUT AS FOR THE REST, EVERY SINGLE COMPOUND WITHIN THE
11 SCOPE OF THE CLAIMS THAT WAS TESTED AFTER THE FILING DATE
12 INCLUDING, AS WE LEARNED IN OUR DISCUSSIONS, THINGS THAT FOR
13 THE '499 PATENT WHICH ISSUED IN 2006, THEY WANTED TO CONTINUE
14 AFTER THE ISSUE DATE FOR THE '712 PATENT, WHICH ISSUED
15 JULY 9TH, 2013, THEY WANTED IT TO CONTINUE AFTER THE ISSUE
16 DATE, AFTER THE DATE THAT THEY COMMENCED THIS DECLARATORY
17 JUDGMENT ACTION EVEN THIS VERY YEAR I THINK IT'S VASTLY
18 OVERBROAD. IT'S NOT CONFINED TO THE STRUCTURE THAT IS
19 PARTICULARLY DIFFICULT, IN THEIR VIEW, TO MAKE. IT'S NOT
20 CONFINED TO THE PERIOD FOR WHICH THEY HAVE AGREED WILL SUFFICE,
21 AND WE JUST DON'T THINK THAT IT'S RELEVANT TO ANY DEFENSE THAT
22 HAS BEEN PLEADED THAT IS COGNIZABLE UNDER THE FEDERAL CIRCUIT'S
23 JURISPRUDENCE.

24 THE COURT: I THINK I HAVE IT. THANK YOU, SIR.

25 MR. BOOKER, ANY REBUTTAL?

1 MR. BOOKER: YES, YOUR HONOR. I'LL START WITH, I
2 GUESS, THE VERY LAST POINT FIRST AND THE NOTION THAT OUR
3 REQUESTS ARE JUST OVERLY BROAD AS FAR AS EVIDENCE OF MERCK EVER
4 MAKING OR TESTING COMPOUNDS FALLING FROM THE CLAIMS.

5 AS FAR AS WE KNOW RIGHT NOW THAT HAS NEVER BEEN DONE BY
6 MERCK. AND THE CLAIMS, IT COVERS A PRETTY LARGE NUMBER OF
7 COMPOUNDS. THIS IS NOT THE CASE WHERE WE BELIEVE OR WE HAVE
8 EVER BEEN TOLD THAT THERE ARE HUNDREDS OF COMPOUNDS THAT THEY
9 HAVE MADE AND THIS IS JUST SO BURDENSOME.

10 WE'RE AT LEAST TRYING TO FIND ONE COMPOUND THAT THEY EVER
11 MADE THAT FALLS IN THE SCOPE OF THESE CLAIMS. AND WE WOULD BE
12 WILLING, IF THEY HAVE EVIDENCE IN 2004, 2005, OF ACTUALLY DOING
13 THIS, TO LIMIT WHAT WE'RE ACTUALLY ASKING FOR.

14 BUT THUS FAR WE HAVE HEARD NO EVIDENCE THAT EVEN A SINGLE
15 COMPOUND HAS BEEN MADE.

16 GOING BACK TO THE ISSUE OF, I GUESS ALL THREE, ENABLEMENT,
17 DERIVATION, WRITTEN DESCRIPTION, AND THE USE OF EITHER
18 POST-FILING EVIDENCE OR EVIDENCE THAT IS INTERNAL WITH THE
19 COMPANY.

20 FOR ENABLEMENT THE LAW IS CLEAR, AND WE CITE SEVERAL CASES
21 IN OUR BRIEFING, THAT IT'S PERMISSIBLE, ACCEPTABLE, TO LOOK AT
22 POST-FILING EVIDENCE AS -- TO UNDERSTAND THE STATE OF THE ART
23 AT THE TIME OF THE FILING. AND IT MAKES COMMON SENSE AS WELL.
24 IF IN 2006 ONE OF SKILL IN THE ART COULD NOT MAKE THE CLAIMED
25 INVENTION, THAT IS PERSUASIVE EVIDENCE THAT IN 2001 THOSE

1 PATENTS WERE NOT ENABLED.

2 THE COURT: SURE. FIVE YEARS LATER I'M STILL
3 BANGING MY HEAD AGAINST THE WALL. THAT'S PROBABLY SOME
4 EVIDENCE THAT IT WASN'T YET IN A POSITION TO MAKE THE COMPOUND
5 BACK IN 2001.

6 MR. BOOKER: CORRECT, YOUR HONOR.

7 THE COURT: BUT WOULD YOU ALSO AGREE, MR. BOOKER,
8 THAT PART OF THE CHALLENGE THAT I HAVE ON TOP OF EVERYTHING
9 ELSE HERE IS THAT NONE OF THESE CASES THAT YOU'VE CITED OR,
10 FRANKLY, THE OTHER SIDE, LOOK AT THESE QUESTIONS IN THE CONTEXT
11 OF A MOTION TO COMPEL, RIGHT?

12 THE FEDERAL CIRCUIT RARELY WEIGHS IN ON THESE ISSUES IN
13 THE CONTEXT OF A DISCOVERY MOTION AND LOOKING AT THIS EITHER IN
14 THE CONTEXT OF A SUMMARY JUDGMENT ORDER OR POST VERDICT, DOES
15 THAT HAVE ANY SIGNIFICANCE HERE?

16 MR. BOOKER: WELL, YES. I MEAN, IT MAKES IT EVEN
17 MORE RELEVANT THAT ALL OF THIS STUFF IS AT LEAST DISCOVERABLE,
18 WHEN IT'S ADMISSIBLE, I THINK IT ALL IS, BUT THAT IS ANOTHER
19 QUESTION. AND HOW MUCH WEIGHT YOU PUT ON IT IS ANOTHER
20 QUESTION.

21 BUT AS FAR AS ADMISSIBILITY AND DISCOVERY, IT'S CERTAINLY
22 ALL DISCOVERABLE. I CAN PROCEED WITH WRITTEN DESCRIPTION AND
23 DERIVATION.

24 THE COURT: I TAKE IT YOUR POINTS ARE SIMILAR?

25 MR. BOOKER: IT IS, IT IS. AND ONE THING TO NOTE

1 ABOUT DERIVATION, AND MR. RABINOWITZ HAD SAID, I THINK HE SAID,
2 IF THE PATENTS ARE ENABLED AND HAVE SUPPORT AS OF THE FILING
3 DATE, THEN WE DON'T GET THIS DERIVATION DEFENSE BECAUSE IT
4 COMES TOO LATE.

5 WELL, WE HAVE THREE ALTERNATIVE THEORIES OF INVALIDITY.
6 IT'S NOT ENABLED, NO WRITTEN DESCRIPTION, AND DERIVATION,
7 BECAUSE OF THE ACTIVITIES THAT OCCURRED BEFORE THEY AMENDED
8 THEIR CLAIMS. WE'RE ALLOWED TO PURSUE ALL OF THESE THREE
9 THEORIES. AND, AGAIN, FOR THE PURPOSES OF DISCOVERY THAT ALL
10 SHOULD BE ADMISSIBLE.

11 THE COURT: ALL RIGHT. I THINK I HAVE IT. THANK
12 YOU, COUNSEL. I'M GOING TO TAKE THIS MATTER UNDER SUBMISSION.
13 I WILL GET YOU AN ORDER AS QUICKLY AS I CAN. I APPRECIATE YOUR
14 SCHEDULE IS GETTING SOMEWHAT COMPRESSED. I APPRECIATE THE
15 ARGUMENTS THIS MORNING. THANK YOU.

16 MR. BOOKER: THANK YOU.

17 (COURT CONCLUDED AT 12:03 P.M.)
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CERTIFICATE OF REPORTER

I, THE UNDERSIGNED OFFICIAL COURT REPORTER OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA, 280 SOUTH FIRST STREET, SAN JOSE, CALIFORNIA, DO HEREBY CERTIFY:

THAT THE FOREGOING TRANSCRIPT, CERTIFICATE INCLUSIVE, IS A CORRECT TRANSCRIPT FROM THE RECORD OF PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.

A handwritten signature in black ink that reads "Irene Rodriguez". The signature is written in a cursive, flowing style with a large loop at the end of the last name.

IRENE RODRIGUEZ, CSR, CRR
CERTIFICATE NUMBER 8076

DATED: APRIL 25, 2015